

REMARKS/ARGUMENTS

In response to the Office Action mailed May 15, 2007, Applicant proposes to amend his application and requests reconsideration in view of the foregoing Amendment and the following remarks. No claims are proposed to be added or cancelled so that claims 18-29 remain pending upon entry of this Amendment.

In response to the objections to claims 18 and 20, all claims have been reviewed as to formality issues. The error noted in the first word of claim 20 is regretted. That error is corrected. Applicant does not agree that the cited language of claim 18 is open to objection. Nevertheless, amendments have been made in response to the objections. Claim 18 no longer refers in line 3 to any game machine so that there is no confusion with regard to the subsequent paragraph of claim 18.

In making the changes in response to the objections, it became apparent that the claims refer to both "a gaming machine" and "a game machine". In the interest of uniformity, even in the absence of a rejection for lack of antecedent basis, the claims have been revised so that uniform reference is made to "a game machine".

In response to the objection regarding language appearing at lines 9 and 10 of claim 18, there is no longer a reference in any claim to "a game media value". What was referred to there is the conversion of a game result value into the same units as the game medium value stored by the portable memory device so that the net medium value can be altered with the game result value. The changed language in the independent claims makes this conversion clearer without altering the claims in any way.

In addition to the foregoing changes, commas have been added at various locations within the claims merely for the purpose of clarity. None of the amendments is substantive in nature. Therefore, even if the Examiner should maintain the final rejection, these amendments, which improve the form of the claims and reduce issues, should be entered in the event of the filing of a Notice of Appeal.

The invention was described in detail in the Response that was filed February 20, 2007. To establish the context of the invention for the following remarks, some of that description bears repeating.

The game machines according to the invention interact with and read from a portable memory device a balance, referred to as a value in game media, that indicates a money value available for purchasing game plays on the respective game machines. As game play proceeds, this balance is decreased by purchasing game plays. In addition, the balance is subsequently changed, in the recording of a game result value, which may be a positive or negative change, depending upon the nature of the game supplied by the game machine and its payoff. In order to record the game result value, that value is converted into a value in game media so that it can be added or subtracted from the previous balance to produce a new balance.

An important feature of the game machines according to the pending claims is the selectable paying out of physical game media at the game machine being played as all or part of a game payout. See page 22, lines 11-24 of the patent application. The payout may be part of or the entire total recorded in the portable memory device, see page 23, line 15 through page 24, line 1 of the patent application. The player of the game may selectively choose how credits for a positive game outcome are received, i.e., paid out. With respect to the example of the slot machine described in the patent application, this election regarding the nature of the payout is made through button 24, referred to as the C/P button. See the patent application at page 15, lines 9-11 and Figure 1.

Independent claim 18 describes the portable memory device in combination with a game machine. Independent claim 21 is directed to a game machine itself. Independent claims 24 and 27 are directed to gaming machine systems that respectively incorporate a portable memory device and a plurality of gaming machines, and a plurality of gaming machines.

An important and common feature of all of the independent claims, and, therefore, of all pending claims, relates to the game medium converting device and the game media payout device. In the game media converting device, which the player of a game machine operates selectively, i.e., optionally, some or all of the game result value is

converted into a quantity of physical game media. In more specific terms, some or all of the winnings at a game machine is converted into a corresponding quantity of physical game media, i.e., coins, tokens, or chips. Then, by operation of the game media payout device, *at the game machine*, those physical game media, resulting from this conversion, are paid out to the player of the game machine.

That player is not required to and has no necessity of "cashing out" his winnings at a teller or clerk or any other location. The player is given the optional opportunity of collecting in cash or cash equivalents, right at the game machine being played, some or all of the winnings.

Dependent claims 20, 23, 26, and 29 make clear that the amount of the winnings not paid out is recorded in the portable memory device. That portable memory device may be employed in playing other game machines later. The other dependent claims, claims 19, 22, 25, and 28, provide for increasing the balance stored in the portable memory device, when the portable memory device is in communication with a gaming machine, based upon physical game media that are inserted into the game machine. In other words, instead of any requirement for consulting a teller or a specialized apparatus located within a casino or elsewhere to "charge" the card, i.e., increase the balance, a player can increase the balance simply by inserting physical game media into a game machine connected to the portable memory device.

Claims 18-23 were rejected as obvious over Raven et al. (U.S. Patent 5,429,361, hereinafter Raven) in view of Dickinson et al. (U.S. Patent 5,265,875, hereinafter Dickinson). Claims 24-29 were rejected on the same basis and further in view of what the Examiner characterized as admitted prior art (APA). These rejections are respectfully traversed.

Applicant respectfully disagrees with the rejection because the rejection acknowledges that no modification of Raven with Dickinson could include all of the elements of the invention as defined by the independent claims. To provide the missing elements of the claims, it was asserted that the missing elements would have been obvious to one of ordinary skill in the art. However, no reasoning has been provided as to why the missing elements would have been obvious. Therefore, it seems apparent that

the rejection is based upon knowledge of the present invention. Use of that knowledge in rejecting the claims as obvious is prohibited.

Applicant basically agrees with the description of Raven appearing at pages 2 and 3 of the Office Action. Raven describes a "smart" card used in combination with a reader that is connected to a game machine as well as to a computer network and other machines that are likewise connected to the network. A balance available for purchasing games is either carried by the smart card or retrieved through the computer network from a central source of information. The balance is adjusted as games are purchased and as game results produce winnings or further losses. There appears to be no description of how a payout of cash at the end of the intended use of the card is provided. Moreover, the objective of Raven is to provide "cashless" gaming so that the carrying of large sums of cash or obtaining change in the course of playing games is not required. See Raven at column 1, lines 38-48. Therefore, as acknowledged in the Office Action, Raven provides no elements that could correspond to the game medium converting device and the game medium payout device of the pending independent claims.

Dickinson is, likewise, concerned with cashless gaming. Applicant agrees with the Examiner that the pertinent part of Dickinson appears in column 2, lines 31-42. The relevant portion of that passage is reproduced below.

"Finally, when the player wishes to stop play of the game terminal completely, the player again pushes the cashout switch. The game terminal then uploads the cash amount balance to the validation terminal. The player then takes his ID card to validation terminal and the clerk at the validation terminal reads the card to obtain the ID information and the cash amount balance therefrom. A ticket showing the ID card number and the cash amount is printed on the validation terminal printer and the player is paid the cash amount on the spot."

In the Dickinson system the player takes the ID card to a validation terminal where a clerk, not the player, operates the validation terminal so the card is read and the cash balance amount can be verified. Clearly, the validation terminal is not the game machine and is not co-located with the game machine. Further, contrary to the Office Action,

there is no "game medium payout device in Dickinson for paying out, at the game machine, in physical game media/*cash*, the part of the game result value converted by the game medium converting device". Applicant agrees that cash paid out could be considered physical game media. However, that physical game media are not paid at the game machine in Dickinson. That cash is paid out by the clerk who verifies from the validation terminal that the cash amount is correct.

In spite of those differences, it is asserted in the final paragraph at page of the Office Action that it would have been obvious from Dickinson to include of all what constitutes the validation terminal, which is separate from the game machine, and the clerk operating the validation terminal, in the Raven game machine. It would not have been obvious to have made that modification of Raven because Dickinson clearly and expressly requires the presence of a clerk and a separate validation terminal in order to ensure against cheating or fraud. Moreover, Dickinson, like Raven, is directed to cashless gaming that provides a

"method for playing a game without a need for cash in [the] form of coins, chips, or other credit items, wherein the apparatus and method require only an ID card and a payment of cash to *a validation clerk at a central location* to allow the holders of the card to play any one of a number of game terminals...". (Dickinson at column 2, lines 44-51, emphasis supplied.)

The rejection is erroneous because, as acknowledged in the Office Action, neither Raven nor Dickinson provides any kind of payout device at a game machine that actually pays out physical game media, including cash. Moreover, there is no motivation for providing that arrangement in either Raven or Dickinson because of Dickinson's security concerns which cannot be properly dismissed in constructing an assertion of obviousness.

To the extent a different rejection has been made with regard to independent claims 24 and 27 because of the recitation of the use of different minimum bets and game media denominations in respective gaming machines, Applicant respectfully asserts the same arguments in traversing the rejections of those claims. In other words, accepting for the sake of the present argument that it would have been known to employ, in a system of

game machines, game machines with different denominations of physical game media and different minimum bets, *prima facie* obviousness still cannot be established with respect to those claims 24-29. For the reasons already presented no modification of Raven with Dickinson can include all of the limitations of those claims.

Likewise, no modification of Raven with Dickinson can suggest any of the dependent claims 19, 22, 25, and 28. Those claims all describe the increasing of a balance on a portable memory device connected to a game machine by the insertion of physical game media into that game machine. It is not asserted that this feature is disclosed or suggested by Raven. Rather, according to the Office Action at page 4, Dickinson describes this feature by providing the validation terminal. The reasoning of this rejection is erroneous because, as already described, Dickinson insists that the validation terminal not be located at or be part of a game machine. Rather, the validation terminal must be at a central location, separate from the game machine. The cited portion of Dickinson clearly shows that the assertion in the Office Action is incorrect.

“[T]he player hands over a certain amount of money to a clerk at a validation terminal. The clerk also takes an ID card from the player and stores the number of the ID card and the cash amount handed over by the player in the memory of the validation terminal. Then the clerk returns the ID card to the player for his use in operating any one of a number of game terminals.” (Dickinson at column 2, lines 1-8.)

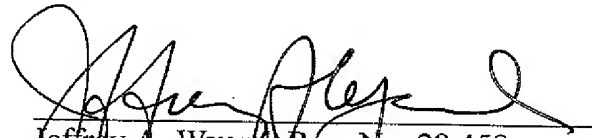
Clearly, the “charging” of the ID card in Dickinson never occurs at a gaming machine and there is no suggestion that that event could occur at a game machine. *Prima facie* obviousness as to these four dependent claims has not been demonstrated because all of the elements of the claims are not present in the prior art and no motivation has been cited that would suggest a combination that could include the missing claim elements. Again, Dickinson teaches against the placing the validation terminal at and as part of the game machine because taking that step would eliminate a clerk and the security checks by the clerk that are clearly incorporated as part of the central validation terminal arrangement of Dickinson. The rejections of those four dependent claims should

be withdrawn independent of the action taken with respect to the rejection of the four independent claims.

The remaining four dependent claims, claims 20, 23, 26, and 29, are patentable over Raven and Dickinson for the reasons presented with respect to their respective independent parent claims. Moreover, there is no express description in either Raven or Dickinson that at the time of "cashing out", any balance is left on any card, i.e., portable memory device. There is no description of partial or full cashing out in Raven and the only description in Dickinson contemplates full cashing out. Thus, the combination of Raven and Dickinson cannot include all of the elements of dependent claims 20, 23, 26, and 29. For both of these reasons, these four dependent claims are patentable over the prior art asserted against them in the Office Action.

Reconsideration, entry of the foregoing Amendment, and allowance of claims 18-29 are respectfully requested. Since the amendments proposed concern only formalities, even if the Examiner maintains the rejection, the foregoing Amendment should be entered in the event of an appeal.

Respectfully submitted,



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